



STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

GRETCHEN WHITMER
GOVERNOR

JENNIFER L. FLOOD
DIRECTOR

March 29, 2024

The Honorable Sarah Anthony, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48909

The Honorable Angela Witwer, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Legislators:

Attached is the monthly financial report for the month ending February 29, 2024. This report is submitted pursuant to MCL 18.1386. This report can also be found on the Internet at the following address:

www.michigan.gov/budget under "Spending and Revenue Reports".

If you have questions concerning the information in this report, please contact this office.

Sincerely,

Kyle Guerrant
Deputy State Budget Director

Attachment

cc: Winnie Brinks, Senate Maj. Leader
Aric Nesbitt, Senate Min. Leader
Joe Tate, Speaker of the House
Matt Hall, House Min. Leader
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency
House Fiscal Agency
Mary Cavanagh, Chair, Senate Finance,
Insurance, & Consumer Protection Com.

Cynthia Neeley, Chair, House Tax Policy Com.
JoAnne Huls, Executive Office
Tricia Foster, Executive Office
Zack Pohl, Executive Office
Rachael Eubanks, State Treasurer
Heather Boyd, Office of Financial Mgmt.
Internal State Budget Office Distribution

GENERAL FUND, GENERAL PURPOSE
Fiscal Year 2024
Projected Revenues and Expenditures
February 29, 2024
(\$ in millions)

FISCAL
2024

Beginning Balance	\$ 3,925.3
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Revenues	
Ongoing:	
January 2024 Consensus Forecast	\$ 13,597.4
Local Government Program Payments	\$ (552.2)
Subtotal Ongoing Revenue	\$ 13,045.2
One-Time:	
One-time Revenue Reductions	\$ (13.1)
Subtotal One-Time Revenue	\$ (13.1)
Total Revenue	\$ 13,032.1

Expenditures	
Ongoing:	
Public Acts 103 and 119 of 2023	\$ 12,756.6
Community District Trust Fund	\$ 28.2
Subtotal Ongoing Expenditures	\$ 12,784.8
One-Time:	
Public Acts 103, 119, and 321 of 2023	\$ 2,640.7
Subtotal One-Time Expenditures	\$ 2,640.7
Total Expenditures	\$ 15,425.5

Ending Balance	\$ 1,531.9
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SCHOOL AID FUND
Fiscal Year 2024
Projected Revenues and Expenditures
February 29, 2024
(\$ in millions)

	FISCAL 2024
Beginning Balance	\$ 2,192.5
Revenues	
Ongoing:	
January 2024 Consensus Forecast	\$ 17,946.9
General Fund	\$ 48.8
Community District Trust Fund	\$ 72.0
Federal Revenue	\$ 2,200.8
Subtotal Ongoing Revenue	\$ 20,268.4
One-Time:	
General Fund	\$ 38.2
General Fund - Community District Trust Fund Revenue Deposit	\$ 28.2
Enrollment Stability Reserve Fund - Public Act 103 of 2023	\$ 71.0
MPERS Reserve Fund - Public Act 103 of 2023	\$ 215.8
Transportation Reserve Fund - Public Act 103 of 2023	\$ 125.0
School Meals Reserve Fund - Public Act 103 of 2023	\$ 60.0
GSRP Reserve Fund - Public Act 103 of 2023	\$ 18.0
Infrastructure Reserve Fund - Public Act 103 of 2023	\$ 248.0
Federal Revenue - Public Act 320 of 2023	\$ 4.0
Subtotal One-Time Revenue	\$ 808.2
Total Revenue	\$ 21,076.6
Expenditures	
Ongoing:	
School Aid - Public Act 103 of 2023	\$ 19,135.2
Community Colleges - Public Act 103 of 2023	\$ 496.2
Universities - Public Act 103 of 2023	\$ 352.3
Subtotal Ongoing Expenditures	\$ 19,983.6
One-Time:	
School Aid - Public Act 103 of 2023	\$ 2,324.5
School Aid - Public Act 320 of 2023	\$ 4.0
Community Colleges - Public Act 103 of 2023	\$ 48.4
Community Colleges - Public Act 320 of 2023	\$ 5.0
Universities - Public Act 103 of 2023	\$ 130.0
MDE - Public Act 119 of 2023	\$ 40.0
MDE - Public Act 321 of 2023	\$ 3.0
Treasury - Public Act 321 of 2023	\$ 114.1
Subtotal One-Time Expenditures	\$ 2,669.0
Total Expenditures	\$ 22,652.6
Ending Balance	\$ 616.6

SUMMARY OF EXPENDITURES AND ENCUMBRANCES

GENERAL FUND - ALL PURPOSE

February 29, 2024

(\$ in millions)

Fiscal Year 2023			Fiscal Year 2024				
Expenditures & Encumbrances Year to Date FY 2023	Fiscal Year End SEP 30, 2023	Department	Initial Appropriations (1)	Executive Orders & Supplemental Appropriations (1)	Encumbrance, Work Project & Capital Outlay Carry Forwards	Total Authorization	Expenditures & Encumbrances Year to Date FY 2024
66.4	138.1	Agriculture and Rural Development	168.6	5.2	132.9	306.7	68.9
39.7	116.6	Attorney General	141.2	2.6	34.0	177.9	59.9
616.6	1,313.1	Capital Outlay (2)	650.1	3.9	3,080.3	3,734.3	220.6
5.6	17.2	Civil Rights	31.7	2.0	7.4	41.1	10.0
703.1	1,660.8	Colleges and Universities	1,808.8	300.0	180.8	2,289.6	869.0
944.3	2,074.0	Corrections	2,076.2	0.0	581.0	2,657.2	1,014.3
283.1	897.8	Education	697.7	5.8	825.2	1,528.6	312.9
356.3	1,320.8	Environment, Great Lakes, and Energy	935.0	102.0	3,760.1	4,797.1	518.6
3.6	8.5	Executive Office	8.9	0.0	0.4	9.3	4.3
13,985.0	33,704.4	Health and Human Services	35,668.3	57.0	4,702.5	40,427.7	14,275.7
31.9	74.7	Insurance and Financial Service	74.1	2.2	1.6	78.0	35.0
95.3	305.6	Judiciary	355.9	0.0	170.4	526.3	105.2
346.6	3,007.1	Labor and Economic Opportunity	1,446.8	562.7	4,448.9	6,458.4	857.1
10.9	27.4	Legislative Auditor General	29.8	0.0	14.3	44.0	12.0
74.4	184.2	Legislature	188.6	0.0	207.4	396.0	73.5
214.2	519.2	Licensing and Regulatory Affairs	591.1	82.7	238.3	912.1	311.8
0.0	0.0	Lifelong Education, Advancement, and Potential	0.0	6.5	0.0	6.5	0.0
0.0	0.0	Marshall Plan for Talent	0.0	0.0	30.3	30.3	0.0
796.5	1,668.4	Michigan Strategic Fund	465.3	501.6	0.0	966.9	434.4
36.6	51.1	Michigan Veterans' Facility Authority	37.8	1.0	0.0	38.8	23.3
70.6	119.5	Military and Veterans Affairs	114.2	24.8	8.0	147.0	79.0
67.0	182.2	Natural Resources	192.3	5.0	88.2	285.6	80.2
96.9	248.4	State	304.2	12.1	118.3	434.6	112.5
0.0	0.0	State Land Bank Authority	2.0	0.0	0.0	2.0	0.0
362.4	987.2	State Police	891.5	76.9	863.0	1,831.4	437.7
226.8	770.6	Technology, Management and Budget (3)	820.3	1,447.5	757.5	3,025.3	539.9
0.2	10.2	Transportation	62.0	252.0	54.3	368.3	42.7
1,253.0	5,391.8	Treasury	2,546.6	92.0	526.1	3,164.6	1,295.3
\$20,687.1	\$54,798.6		\$50,308.9	\$3,545.4	\$20,831.2	\$74,685.6	\$21,793.6

(1) Includes boilerplate appropriations.

(2) Includes all capital outlay activity regardless of agency.

(3) Includes Civil Service Commission.

**ESTIMATED BALANCE OF STATE PAYMENTS
TO LOCAL UNITS OF GOVERNMENT
Fiscal Year 2024
February 29, 2024
(\$ in millions)**

	INITIAL APPROPRIATIONS	EXEC. ORDER and SUPPLEMENTALS	TOTAL APPROPRIATIONS YEAR-TO-DATE
Payments to local units of government	25,556.3	154.0	25,710.3
Total state spending from state resources	47,013.5	225.8	47,239.3
Percentage of state spending from state resources paid to local units	54.36%	68.20%	54.43%
Required payments to local units (48.97%)	23,022.5	110.6	23,133.1
Surplus/(deficit)	\$2,533.8	\$43.4	\$2,577.2

STATE OF MICHIGAN
YEAR-TO-DATE BALANCE SHEET
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
February 29, 2024
(\$ in thousands)

ASSETS

Current Assets:	
Equity in common cash	<u>\$ 1,846,091</u>
Total Assets	<u><u>\$ 1,846,091</u></u>

LIABILITIES

Current Liabilities:	
Total Current Liabilities	<u>\$ -</u>
Total Liabilities	<u>-</u>

FUND BALANCES

Committed	<u>1,846,091</u>
Total Fund Balances	<u>1,846,091</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,846,091</u></u>

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
October 1, 2023 through February 29, 2024
(\$ in thousands)

REVENUES

Miscellaneous	\$ 24,124
	<u>24,124</u>
Total Revenues	<u>24,124</u>

EXPENDITURES

Current:	
General government	<u>-</u>
Total Expenditures	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>24,124</u>

OTHER FINANCING SOURCES (USES)

Transfers from other funds	41,667
Transfers to other funds	<u>-</u>
Total Other Financing Sources (Uses)	<u>41,667</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u>\$ 65,790</u> ¹

¹ Balance does not reflect closing adjustments such as accounts receivable, accounts payable, etc.

**STATE OF MICHIGAN
YEAR-TO-DATE BALANCE SHEET
MICHIGAN NATURAL RESOURCES TRUST FUND**

February 29, 2024

(\$ in thousands)

ASSETS

Current Assets:	
Equity in common cash	\$ 56,838
Investments	-
Other current assets	-
Total Current Assets	56,838
Noncurrent Assets:	
Investments	711,853
Total Assets	\$ 768,691

LIABILITIES

Current Liabilities:	
Accounts payable and other liabilities	\$ 5,211
Amounts due to other funds	-
Total Current Liabilities	5,211
Total Liabilities	5,211

FUND BALANCES

Nonspendable	500,000
Restricted	263,480
Total Fund Balances	763,480
Total Liabilities and Fund Balances	\$ 768,691

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
MICHIGAN NATURAL RESOURCES TRUST FUND

October 1, 2023 through February 29, 2024
(\$ in thousands)

REVENUES

Taxes	\$	-
From federal agencies		-
From licenses and permits		-
Miscellaneous		<u>42,579</u>
Total Revenues		<u>42,579</u>

EXPENDITURES

Current:		
General government		3,339
Conservation, environment, recreation, and agriculture		3,192
Capital outlay		<u>1,961</u>
Total Expenditures		<u>8,492</u>
Excess of Revenues over (under) Expenditures		<u>34,087</u>

OTHER FINANCING SOURCES (USES)

Proceeds from bond issues		-
Proceeds from sale of capital assets		3
Transfers from other funds		-
Transfers to other funds		<u>-</u>
Total Other Financing Sources (Uses)		<u>3</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses		<u><u>\$ 34,090</u></u> ¹

¹ Balance does not reflect closing adjustments such as accounts receivable, accounts payable, etc.

REVENUE OVERVIEW

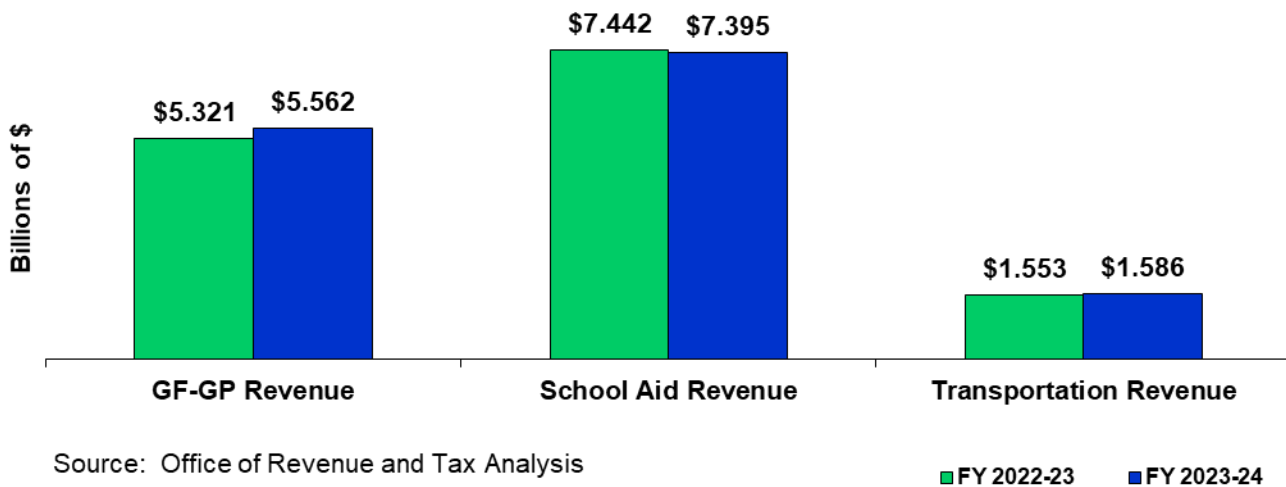
Office of Revenue and Tax Analysis
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for February 2024, representing some January and some February economic activity in Michigan.

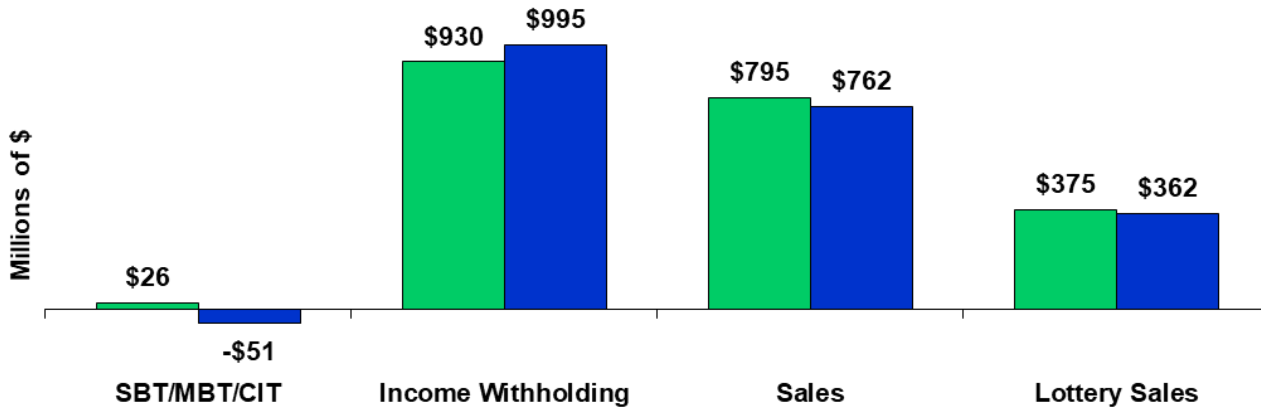
Total General Fund - General Purpose (GF-GP) cash collections were \$384.2 million (108.8 percent) lower in February 2024 than in February 2023. GF-GP year-over-year revenue was lower in February due to income tax refunds from payouts of prior year Earned Income Tax Credit claims resulting from legislative changes. The February 2024 School Aid Fund cash collections were \$32.9 million (3.2 percent) higher than in February 2023. February 2024 transportation collections were \$13.3 million (4.0 percent) higher than in February 2023 (see revenue summary table). February is the fifth month of the State's fiscal year (FY). Year-to-date collection totals generally provide a more accurate view of collections since they are less affected by the timing of payments. Year-to-date GF-GP cash collections are up \$241.2 million (4.5 percent) from a year ago. School Aid Fund cash collections are down \$47.4 million (0.6 percent) and transportation collections are up \$32.8 million (2.1 percent).

The FY 2023-24 revenue projections presented in the revenue summary table on page 11 are from the Consensus Revenue Estimating Conference held on January 12, 2024. The revenue estimate for net GF-GP revenue for FY 2023-24 is \$13,597.4 million and the net School Aid revenue forecast is \$17,946.9 million. The Transportation Funds revenue forecast is \$4,220.4 million. By law, the Consensus Revenue Estimating Conferences are held the second week of January and the third week of May.

October through February Collections FY 2022-23 and FY 2023-24



February Revenue Collections FY 2022-23 and FY 2023-24



Source: Office of Revenue and Tax Analysis

■ FY 2022-23 ■ FY 2023-24

October through February Collections FY 2022-23 and FY 2023-24



Source: Office of Revenue and Tax Analysis

■ FY 2022-23 ■ FY 2023-24

Revenue Summary FY 2023-24
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: February 29, 2024

Month-End Cash Collections Data				October Through February Cash Collections Data					Revenue Projections		
February		Difference		Source of Revenue	Year-to-Date		Difference		FY 2022-23	FY 2023-24	FY 2023-24
2023	2024	Amount	Percent		FY 2022-23	FY 2023-24	Amount	Percent	May 2023 Forecast	Statutory Estimate	Jan 2024 Forecast
Income Taxes											
\$930,445	\$994,811	\$64,366	6.9%	Withholding	\$5,280,601	\$5,324,061	\$43,460	0.8%	\$12,206,000	\$12,376,900	\$12,381,900
11,921	13,503	1,582	13.3%	Quarterlies	419,088	381,055	(38,033)	-9.1%	1,040,000	1,144,000	1,109,000
9,908	12,614	2,706	27.3%	Flow Through Entity Tax	305,448	299,656	(5,793)	-1.9%	975,700	972,800	972,800
36,106	32,465	(3,641)	-10.1%	Annuals	203,920	186,475	(17,445)	-8.6%	1,315,700	1,264,400	1,222,500
\$988,380	\$1,053,393	\$65,013	6.6%	Gross Collections	\$6,209,057	\$6,191,246	(\$17,811)	-0.3%	\$15,537,400	\$15,758,100	\$15,686,200
649,915	996,103	346,188	53.3%	Less: Refunds	1,125,831	1,223,742	97,910	8.7%	2,810,000	3,510,000	3,347,000
0	0	0	na	Less: State Campaign Fund	0	0	0	na	800	800	800
\$338,465	\$57,290	(\$281,175)	-83.1%	Net Personal Income	\$5,083,226	\$4,967,504	(\$115,722)	-2.3%	\$12,726,600	\$12,247,300	\$12,338,400
50,000	50,000	0	0.0%	Less: Disbursements to MTF	250,000	250,000	0	0.0%	600,000	600,000	600,000
5,750	5,750	0	0.0%	Less: Disbursements to Renew Michigan	28,750	28,750	0	0.0%	69,000	69,000	69,000
235,334	250,818	15,484	6.6%	Less: Disbursements to SAF	1,478,357	1,474,004	(4,352)	-0.3%	3,838,100	3,798,200	3,781,000
\$47,382	(\$249,278)	(\$296,659)	na	Net Personal Income To GF-GP	\$3,326,119	\$3,214,750	(\$111,369)	-3.3%	\$8,219,500	\$7,780,100	\$7,888,400
Consumption Taxes											
\$140,434	\$115,725	(\$24,709)	-17.6%	Sales (a)	\$674,805	\$689,935	\$15,130	2.2%	\$1,679,300	\$1,666,000	\$1,627,000
58,267	68,336	10,070	17.3%	Use (a) (h)	466,820	513,340	46,520	10.0%	1,156,000	1,136,700	1,183,700
11,071	10,570	(502)	-4.5%	Tobacco	60,990	55,687	(5,303)	-8.7%	148,100	145,800	142,300
942	931	(11)	-1.2%	Beer, Wine & Mixed Spirits	23,126	21,734	(1,393)	-6.0%	49,000	50,000	48,000
5,300	6,014	714	13.5%	Liquor Specific	27,687	30,096	2,409	8.7%	65,000	65,300	67,600
\$216,014	\$201,576	(\$14,439)	-6.7%	Total Consumption Taxes	\$1,253,428	\$1,310,792	\$57,363	4.6%	\$3,097,400	\$3,063,800	\$3,068,600
Other Taxes											
(\$3,292)	\$1	\$3,293	100.0%	Single Business	(\$3,456)	\$11	\$3,467	100.3%	\$0	\$0	\$0
26,385	30,641	4,256	16.1%	Insurance Premiums Taxes	\$246,091	271,538	25,447	10.3%	440,000	450,000	478,000
23,093	30,642	7,549	32.7%	Sub-total SBT & Insurance	242,634	271,549	28,915	11.9%	440,000	450,000	478,000
(6,469)	(148,354)	(141,885)	na	Michigan Business Tax	(480,215)	(348,911)	131,304	27.3%	(527,000)	(509,700)	(494,600)
35,833	97,698	61,866	173.0%	Corporate Income Tax	697,182	795,229	98,047	14.1%	1,560,000	1,500,000	1,525,000
0	72	72	na	Telephone & Telegraph	7,701	13,426	5,725	74.3%	34,000	33,000	34,000
2,638	1,466	(1,173)	-44.5%	Oil & Gas Severance	15,926	11,392	(4,534)	-28.5%	35,000	34,000	30,000
11,012	7,464	(3,548)	-32.2%	Penalties & Interest	40,656	39,852	(803)	-2.0%	140,000	143,000	143,000
302	136	(166)	-55.0%	Essential Services Assessment	1,362	(328)	(1,690)	-124.1%	143,000	152,000	150,000
(87)	213	300	346.0%	Miscellaneous Other/Railroad	241	490	248	103.0%	3,000	3,000	15,000
(12,500)	(12,583)	(83)	-0.7%	Treasury Enforcement Programs (e)	(63,750)	(62,917)	833	1.3%	(150,000)	(151,000)	(151,000)
\$53,821	(\$23,246)	(\$77,068)	-143.2%	Total Other Taxes	\$461,738	\$719,783	\$258,045	55.9%	\$1,678,000	\$1,654,300	\$1,729,400
\$317,217	(\$70,948)	(\$388,166)	-122.4%	Subtotal GF-GP Taxes	\$5,041,285	\$5,245,325	\$204,040	4.0%	\$12,994,900	\$12,498,200	\$12,686,400

continued

Revenue Summary FY 2023-24
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: February 29, 2024

Month-End Cash Collections Data				October Through February Cash Collections Data					Revenue Projections		
February		Difference		Source of Revenue	Year-to-Date		Difference		FY 2022-23	FY 2023-24	FY 2023-24
2023	2024	Amount	Percent		FY 2022-23	FY 2023-24	Amount	Percent	May 2023 Forecast	Statutory Estimate	Jan 2024 Forecast
Non-Tax Revenue (e)											
\$833	\$833	\$0	0.0%	Federal Aid	\$4,167	\$4,167	\$0	0.0%	\$10,000	\$10,000	\$10,000
8	8	0	0.0%	Local Agencies	42	42	0	0.0%	100	100	100
583	583	0	0.0%	Services	2,917	2,917	0	0.0%	7,000	7,000	7,000
1,167	1,167	0	0.0%	Licenses & Permits	5,833	5,833	0	0.0%	20,000	14,000	14,000
0	0	0	na	Investments/Interest Costs	100,234	118,025	17,791	17.7%	315,000	255,000	400,000
833	833	0	0.0%	Misc. Non-tax Revenue	4,167	4,167	0	0.0%	16,000	22,000	35,000
25,000	28,750	3,750	15.0%	Liquor Purchase Revolving Fund	125,000	143,750	18,750	15.0%	335,000	342,000	310,900
7,500	7,667	167	2.2%	From Other Funds-Lottery & Escheats	37,500	38,167	667	1.8%	90,000	90,000	134,000
<u>\$35,925</u>	<u>\$39,842</u>	<u>\$3,917</u>	<u>10.9%</u>	Total Non-Tax Revenue	<u>\$279,859</u>	<u>\$317,067</u>	<u>\$37,208</u>	<u>13.3%</u>	<u>\$793,100</u>	<u>\$740,100</u>	<u>\$911,000</u>
\$353,142	(\$31,106)	(\$384,249)	-108.8%	Total GF-GP Revenue	\$5,321,144	\$5,562,392	\$241,247	4.5%	\$13,788,000	\$13,238,300	\$13,597,400
School Aid Fund											
\$367,563	\$306,306	(\$61,258)	-16.7%	Sales Tax 4%	\$1,747,930	\$1,786,560	\$38,630	2.2%	\$4,432,300	\$4,471,700	\$4,423,100
182,137	251,363	69,226	38.0%	Sales Tax 2%	1,560,608	1,358,501	(202,107)	-13.0%	3,488,400	3,501,800	3,472,400
58,510	63,550	5,040	8.6%	Use Tax 2%	354,242	379,795	25,553	7.2%	858,400	863,500	924,600
19,883	20,198	316	1.6%	State Education Property Tax	1,535,498	1,647,825	112,327	7.3%	2,607,000	2,737,900	2,710,000
28,585	22,686	(5,898)	-20.6%	Real Estate Transfer Tax	182,901	159,813	(23,087)	-12.6%	390,000	377,500	370,000
90,000	100,000	10,000	11.1%	Lottery Transfer (b)	374,351	391,981	17,631	4.7%	1,220,000	1,212,700	1,300,000
8,523	8,486	(37)	-0.4%	Casino Wagering Tax	42,750	39,009	(3,741)	-8.8%	417,600	434,200	453,200
4,658	5,850	1,192	25.6%	Liquor Excise Tax	24,876	26,390	1,514	6.1%	75,800	76,800	79,100
22,477	21,458	(1,019)	-4.5%	Cigarette/Tobacco Tax	123,818	113,052	(10,766)	-8.7%	263,400	258,600	252,500
1,533	1,517	(16)	-1.0%	Indus. & Comm. Facilities Taxes	12,183	14,468	2,285	18.8%	42,000	42,500	45,000
586	487	(99)	-16.9%	Specific Other	4,658	3,367	(1,291)	-27.7%	108,600	112,700	136,000
235,334	250,818	15,484	6.6%	Income Tax Earmarking	1,478,357	1,474,004	(4,352)	-0.3%	3,838,100	3,798,200	3,781,000
<u>\$1,019,788</u>	<u>\$1,052,720</u>	<u>\$32,932</u>	<u>3.2%</u>	Total School Aid Fund	<u>\$7,442,172</u>	<u>\$7,394,767</u>	<u>(\$47,405)</u>	<u>-0.6%</u>	<u>\$17,741,600</u>	<u>\$17,888,100</u>	<u>\$17,946,900</u>
Multi-Fund Revenue Summary											
\$794,742	\$761,872	(\$32,870)	-4.1%	Sales Tax 6%	\$4,473,825	\$4,336,102	(\$137,723)	-3.1%	\$10,847,300	\$10,887,300	\$10,777,300
612,605	510,509	(102,096)	-16.7%	Sales Tax 4% (d)	2,913,217	2,977,601	64,384	2.2%	7,358,900	7,385,500	7,304,900
182,137	251,363	69,226	38.0%	Sales Tax 2%	1,560,608	1,358,501	(202,107)	-13.0%	3,488,400	3,501,800	3,472,400
175,530	190,650	15,120	8.6%	Use Tax 6% (g)	1,062,726	1,139,384	76,658	7.2%	2,562,400	2,561,900	2,670,000
8,487	12,363	3,875	45.7%	Recreational Marihuana	107,262	139,033	31,771	29.6%	238,100	244,900	308,600
55,636	53,113	(2,522)	-4.5%	Tobacco Taxes	306,481	279,833	(26,648)	-8.7%	743,300	733,400	716,000
0	0	0	na	Tobacco Settlement	0	0	0	na	na	na	na

continued

Revenue Summary FY 2023-24
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: February 29, 2024

Month-End Cash Collections Data				October Through February Cash Collections Data					Revenue Projections		
February		Difference		Source of Revenue	Year-to-Date		Difference		FY 2022-23	FY 2023-24	FY 2023-24
2023	2024	Amount	Percent		FY 2022-23	FY 2023-24	Amount	Percent	May 2023 Forecast	Statutory Estimate	Jan 2024 Forecast
Major Transportation Revenues											
\$18,580	\$18,018	(\$562)	-3.0%	Diesel Fuel / Motor Carrier Fuel Tax	\$106,696	\$108,823	\$2,127	2.0%	\$260,000	\$269,500	\$273,000
90,638	95,916	5,278	5.8%	Gasoline	471,785	505,173	33,389	7.1%	1,200,000	1,256,000	1,259,000
158,762	167,979	9,218	5.8%	Motor Vehicle Registration	649,619	651,573	1,954	0.3%	1,449,000	1,482,000	1,542,000
3,153	3,642	489	15.5%	Other Taxes, Fees & Misc.	17,711	18,827	1,116	6.3%	328,435	335,347	365,157
11,481	10,317	(1,165)	-10.1%	Comprehensive Transportation (c)	57,406	51,583	(5,823)	-10.1%	178,497	177,995	181,279
50,000	50,000	0	0.0%	Income Tax Earmarking	250,000	250,000	0	0.0%	600,000	600,000	600,000
<u>\$332,614</u>	<u>\$345,872</u>	<u>\$13,258</u>	<u>4.0%</u>	Total Major Trans. Revenues	<u>\$1,553,217</u>	<u>\$1,585,979</u>	<u>\$32,763</u>	<u>2.1%</u>	<u>\$4,015,932</u>	<u>\$4,120,842</u>	<u>\$4,220,436</u>
Lottery Sales By Games											
\$202,344	\$191,185	(\$11,159)	-5.5%	Instant Games (f)	\$1,058,900	\$1,026,979	(\$31,920)	-3.0%	na	na	na
73,188	73,756	568	0.8%	Daily Games	405,942	388,268	(17,674)	-4.4%	na	na	na
32,796	33,628	832	2.5%	Lotto and Big Game (f)	303,528	208,757	(94,772)	-31.2%	na	na	na
593	578	(16)	-2.6%	Keno Game	3,138	3,018	(120)	-3.8%	na	na	na
2,864	2,994	130	4.5%	Lucky For Life	15,112	15,719	607	4.0%	na	na	na
10,018	6,543	(3,475)	-34.7%	Other (f)	34,386	29,859	(4,526)	-13.2%	na	na	na
53,351	53,780	430	0.8%	Club Games	261,393	260,066	(1,328)	-0.5%	na	na	na
<u>\$375,154</u>	<u>\$362,465</u>	<u>(\$12,689)</u>	<u>-3.4%</u>	Total Lottery Sales	<u>\$2,082,399</u>	<u>\$1,932,666</u>	<u>(\$149,733)</u>	<u>-7.2%</u>	<u>na</u>	<u>na</u>	<u>na</u>

- (a) GF-GP Sales has been adjusted based on Comprehensive Transportation Fund, Health Initiative, Constitutional Revenue Sharing, and Aviation Fund. GF-GP Use has been adjusted based on Aviation Fund.
- (b) The statutory estimate does not include an estimate of lottery sales. It only includes an estimate of the School Aid Fund transfer. The transfers shown are actual transfers from Lottery to School Aid Fund.
- (c) The Comprehensive Transportation Fund distributions have been estimated (includes sales tax transfer and other miscellaneous revenues dedicated to the Comprehensive Transportation Fund).
- (d) 2% collections adjusted to reflect exemption on residential utilities.
- (e) Non-tax revenue items other than interest are estimates.
- (f) Lottery Sales include iLottery net win amounts; and Other lottery games includes the new Fast Cash games, which began in July 2017.
- (g) Gross Use tax collections include the transferred amounts to the Local Community Stabilization Authority, which are front-loaded at the beginning of the fiscal year. The year-to-date 2023 revenues were \$241.6 million and the year-to-date 2024 revenues are \$246.2 million. Per 2014 Public Act 80, the total fiscal year 2023 Local Community Stabilization Share (LCSS) was \$548.0 million and the total fiscal year 2024 LCSS is \$561.7 million.
- (h) General Fund Use tax collections are net of LCSS revenue. The year-to-date 2023 LCSS revenues were \$241.6 million and the year-to-date 2024 LCSS revenues are \$246.2 million.

Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

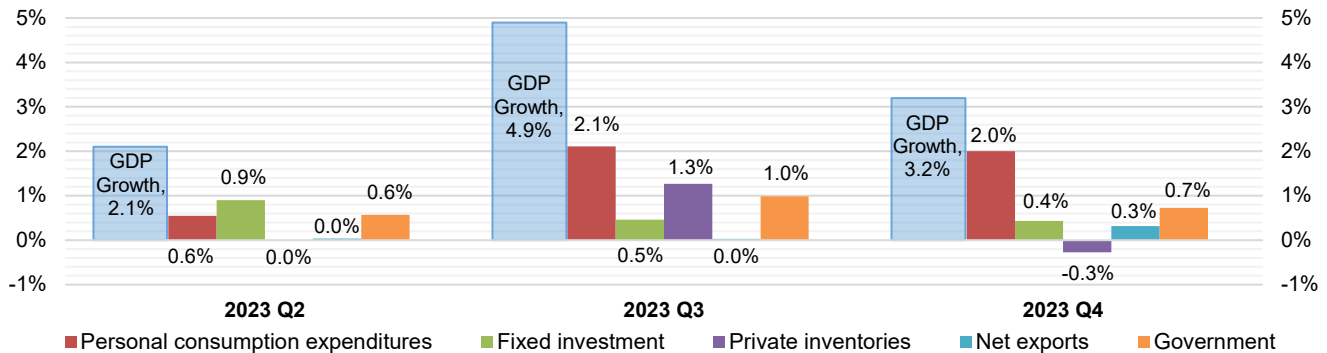
Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

U.S. Economy

U.S. real **Gross Domestic Product** increased at a 3.2 percent annual rate in the fourth quarter of 2023, according to the “second” estimate released by the Bureau of Economic Analysis, down from the 4.9 percent annual rate in the third quarter of 2023. The past three quarterly contributions to the percent change in GDP are shown in the graph below.

Real GDP Growth and Contributions to Percent Change



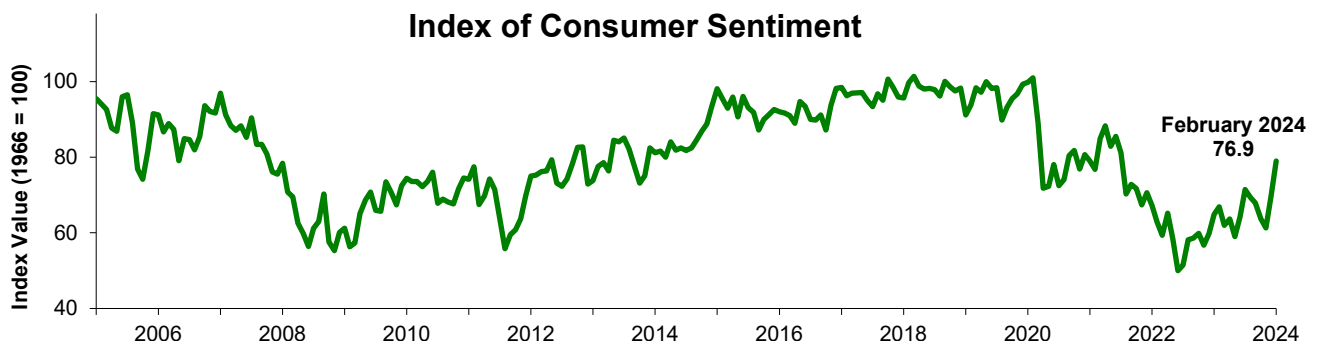
Source: Bureau of Economic Analysis

Personal consumption and government expenditures drove the increase in GDP in the fourth quarter of 2023, while fixed investments and net exports made minimal contributions. Decline in private inventories slightly reduced the fourth quarter GDP growth. Real final sales decreased from 3.6 percent in the third quarter to 3.5 percent in the fourth quarter, and the implicit price deflator decreased from 3.3 percent to 1.7 percent in the same period.

U.S. wage and salary employment increased by 275,000 jobs in February 2024, with total employment 5.5 million above the February 2020 pre-pandemic level. In February, sectors with the largest increases in employment include private education with a gain of 85,000 jobs, leisure and hospitality with 58,000 jobs, and government with 52,000 additional jobs. Manufacturing and wholesale trade registered employment losses in February, with declines of 4,000 and 1,200 jobs, respectively.

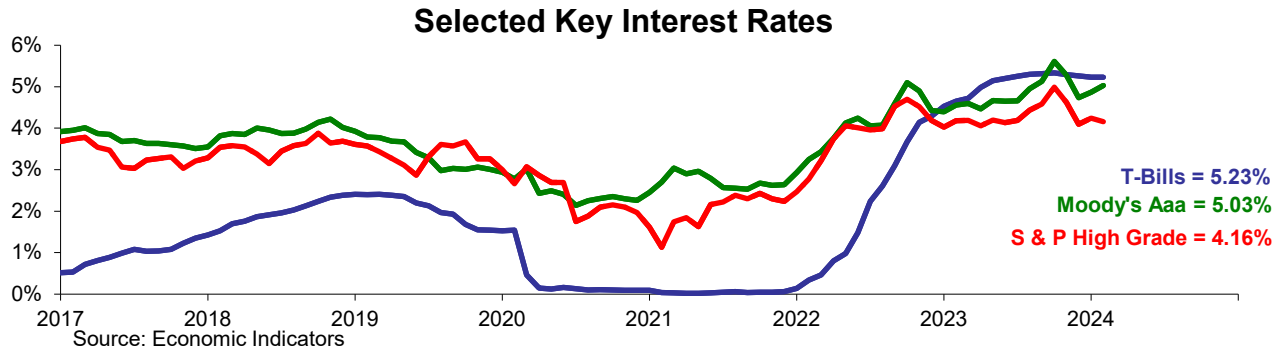
In February, the U.S. unemployment rate increased to 3.9 percent. Civilian employment decreased to 161.0 million, down 18,400 from January. The number unemployed increased 334,000 from January, to 6.5 million in February. The labor force participation rate remained at 62.5 percent in February, 0.8 percentage points below the pre-pandemic rate in February 2020 of 63.3 percent.

The **Index of Consumer Sentiment** decreased to 76.9 index-points in February, down 2.1 index-points from January. Consumer sentiment is 10.0 index-points above the year-ago level.

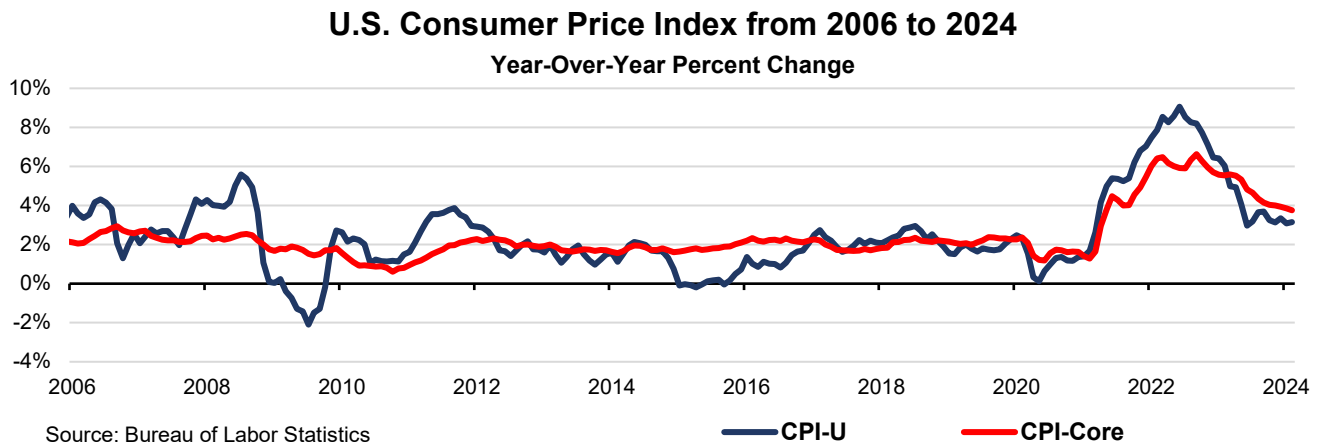


Source: University of Michigan, Survey Research Center

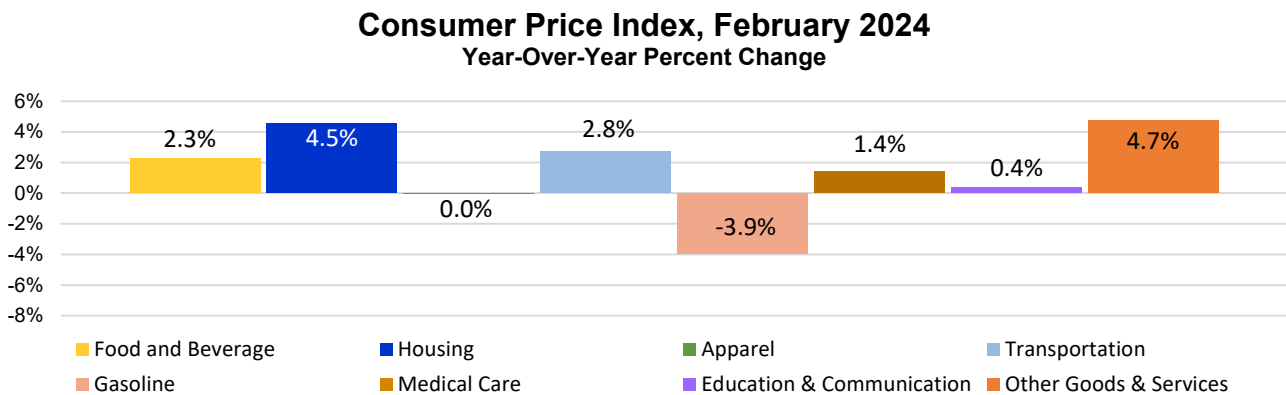
Short-term **interest rates** remained unchanged in February, with a 3-month Treasury bill (T-bill) rate of 5.23 percent. The T-bill rate increased by 58 basis points (where one basis point equals one-hundredth of one percent) in February from the 4.65 percent rate in February 2023. The Aaa corporate bond rate increased by 16 basis points in February to an interest rate of 5.03 percent, up 47 basis points from a year ago. The interest rate on S&P high-grade municipal bonds decreased by 8 basis points in February to an interest rate of 4.16 percent, down 2 basis points from a year ago.



U.S. retail prices, as measured by the Consumer Price Index (CPI-U), were up 3.2 percent from February 2023 to February 2024, higher than January's 3.1 percent year-over-year change. The Consumer Price Index-Core (CPI-Core) measures the change in all consumer items aside from food and energy prices. The CPI-Core rose 3.8 percent year-over-year in February, 0.1 percentage point lower than January's 3.9 percent rate. CPI-U and CPI-Core data are not seasonally adjusted.



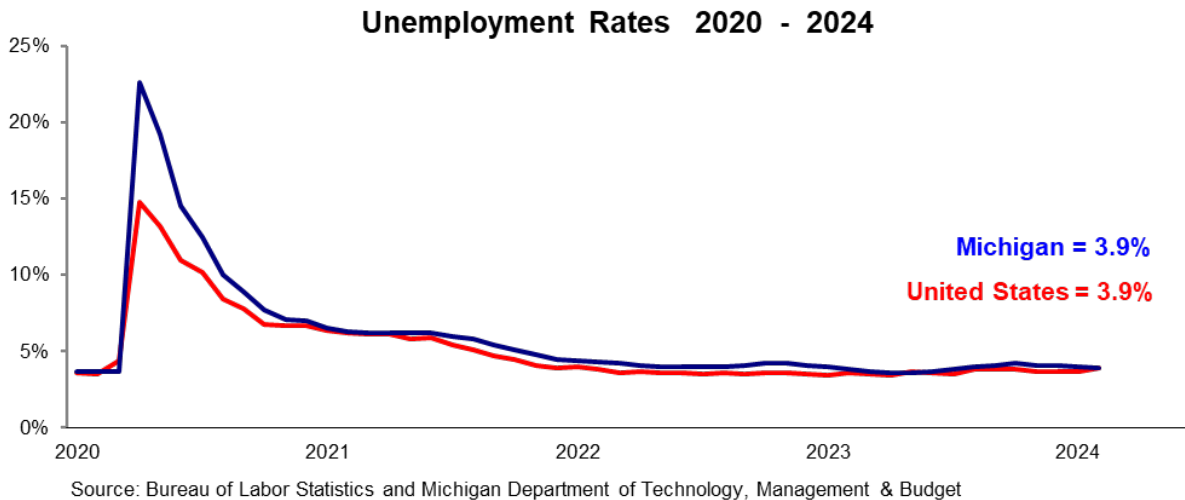
Other goods and services exhibited the largest year-over-year price increase at 4.7 percent for February, followed by housing with a 4.5 percent increase, and transportation with a 2.8 percent increase. Gasoline experienced a year-over-year price decline of 3.9 percent for February. These sector data are seasonally adjusted.



Source: Bureau of Labor Statistics

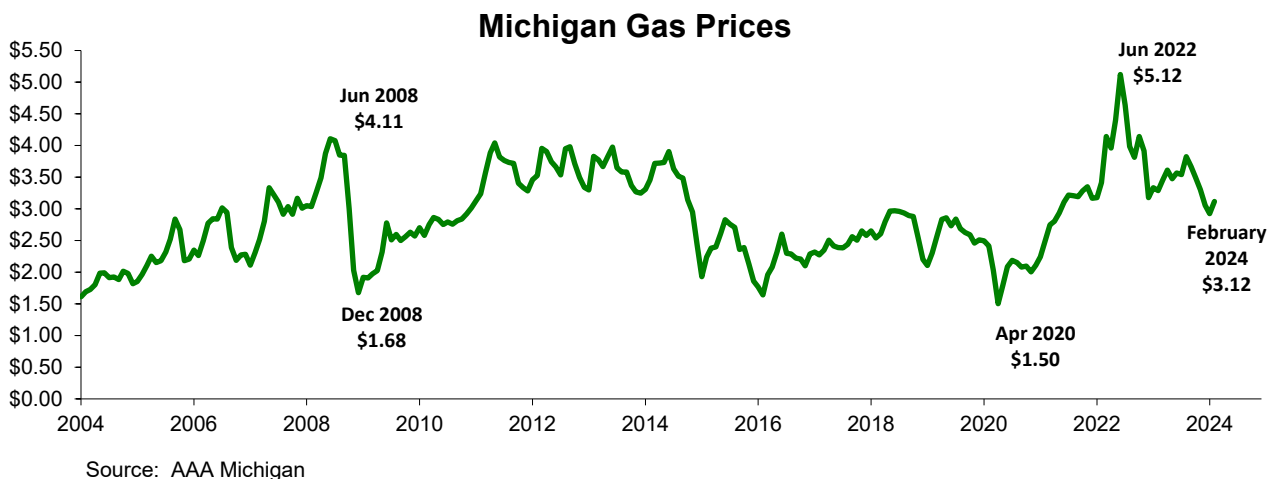
Michigan Economy

The **Michigan jobless rate was** 3.9 percent in February down from January's rate of 4.0 percent. The national unemployment rate was 3.9 percent in February, 0.2 percentage points higher than January's 3.7 rate. The number employed in Michigan increased by 2,000 from January's levels, while the number of unemployed in February decreased by 4,000 from the prior month. The number employed is 1.8 percent higher, while the number unemployed is 4.2 percent higher than in February 2023. Michigan's unemployment rate of 3.9 percent is 0.2 percentage points higher than the February 2020 pre-pandemic revised rate of 3.7 percent.



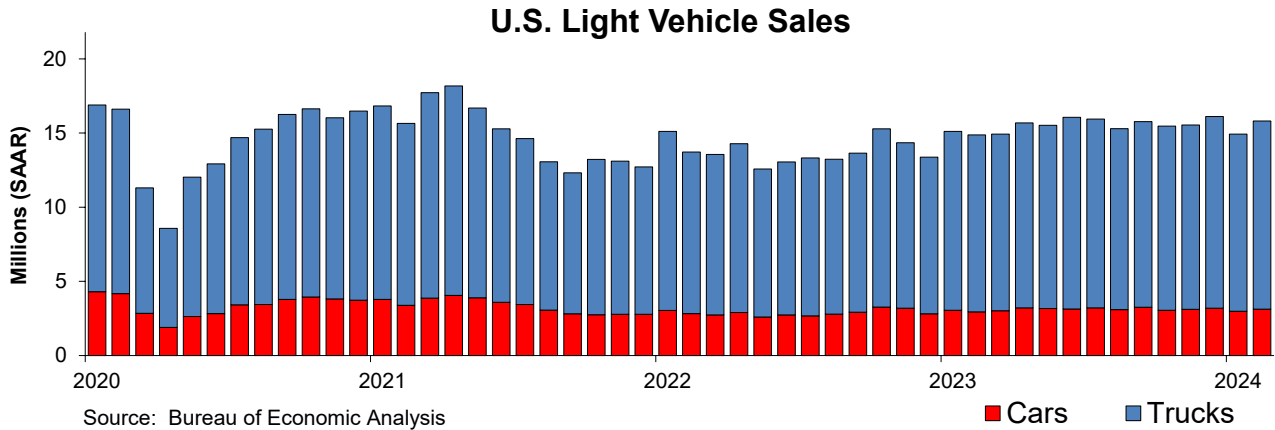
Michigan wage and salary employment increased by 15,000 jobs from January to a total of 4.5 million jobs in February. Compared to last year, employment in February was up 37,000 jobs, or 0.8 percent from February 2023. The sectors with the largest employment increases in February were private education and health services with a gain of 9,000 jobs, followed by government with a gain of 4,000 jobs. The sectors with employment declines in February were manufacturing, financial activities, other services, and trade, transportation and utilities with a loss of 1,000 jobs in each sector.

Michigan gasoline prices increased in February to \$3.12 per gallon, 19.4 cents a gallon above last month's average. Year-over-year gasoline prices were 17.1 cents per gallon lower than in February 2023. Diesel prices of \$4.00 per gallon in February increased by 12.0 cents a gallon from January. Diesel prices were down 55.6 cents per gallon from the February 2023 price of \$4.55 per gallon.

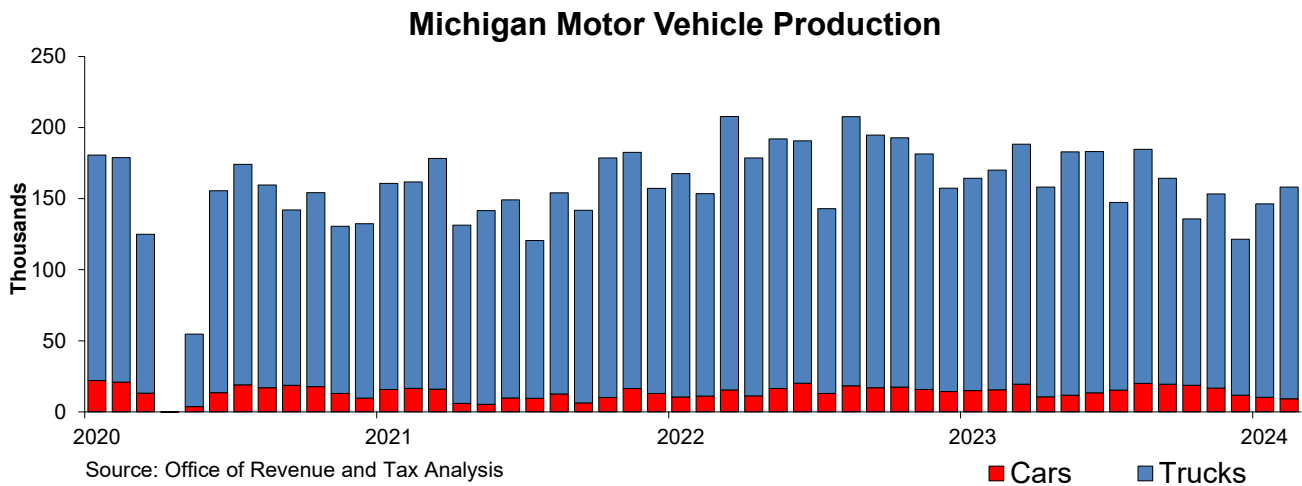


Motor Vehicle Sector

U.S. light vehicle sales (cars and light trucks) increased by 6.0 percent in February from January, selling at a 15.8 million unit seasonally adjusted annual rate. Domestic car sales increased 3.5 percent while light truck sales increased 6.2 percent from January. Import car sales increased 7.1 percent while import light truck sales increased 6.7 percent from January. Compared to February 2023, light vehicle sales were up 6.3 percent. Domestic car sales increased 3.8 percent while light truck sales increased 4.6 percent from the year ago levels. February import car sales increased 12.5 percent while import light truck sales increased 13.8 percent from last year. Domestic light vehicles recorded a 77.9 percent share of February 2024 sales, down 1.4 percentage points from February 2023.



Michigan motor vehicle production increased in February to 158,160 total units. Michigan's February production was 8.1 percent above January's production but 7.0 percent below the level in February 2023. Nationally, motor vehicle production totaled 920,544 units, 78,456 units higher than the 842,089 units from a year ago. In February, Michigan's car production was 9,273 units while the State's truck production was 148,887 units. Michigan motor vehicle production data are not seasonally adjusted.



**Summary Estimates of the Constitutional Revenue Limit
Based on the January 12, 2024 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

	Fiscal Year 2021-22 Actual	Fiscal Year 2022-23 Estimate	Fiscal Year 2023-24 Estimate
Applicable Calendar Year Personal Income	\$530,809	\$567,807	\$572,325
Section 26 Base Ratio	9.49%	9.49%	9.49%
Revenue Limit	<u>\$50,373.8</u>	<u>\$53,884.9</u>	<u>\$54,313.6</u>
Revenue Limit	\$50,373.8	\$53,884.9	\$54,313.6
State Revenue Subject to Limit	<u>\$42,937.4</u>	<u>\$41,985.2</u>	<u>\$41,959.2</u>
Amount Under (Over) Limit	\$7,436.4	\$11,899.6	\$12,354.4

Sources:

Personal Income Estimate

The FY 2021-22 calculation uses the official personal income estimate for calendar year 2020 (Survey of Current Business, October 2021).

The FY 2022-23 calculation uses the official personal income estimate for calendar year 2021 (Survey of Current Business, October 2022).

The FY 2023-24 calculation uses the official personal income estimate for calendar year 2022 (Survey of Current Business, October 2023).

Revenue Subject to the Limit

The FY 2021-22 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2022

The FY 2022-23 calculation uses the January 12, 2024 Consensus Revenue Agreement.

The FY 2023-24 calculation uses the January 12, 2024 Consensus Revenue Agreement.

Column detail may not add to totals due to rounding

Prepared By: Office of Revenue and Tax Analysis, Michigan Department of Treasury